

## THE NATIONAL SECURITY PERSONNEL SYSTEM (NSPS): AN ASSESSMENT

BY

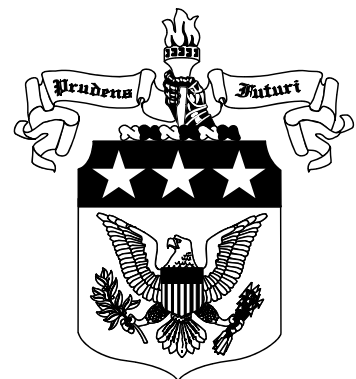
COLONEL STANLEY M. BROWN  
United States Army

### DISTRIBUTION STATEMENT A:

Approved for Public Release.  
Distribution is Unlimited.

USAWC CLASS OF 2008

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.



U.S. Army War College, Carlisle Barracks, PA 17013-5050

Report Documentation Page				Form Approved OMB No. 0704-0188	
Public reporting burden for the collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Washington Headquarters Services, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington VA 22202-4302. Respondents should be aware that notwithstanding any other provision of law, no person shall be subject to a penalty for failing to comply with a collection of information if it does not display a currently valid OMB control number.					
1. REPORT DATE <b>15 MAR 2008</b>		2. REPORT TYPE <b>Strategy Research Project</b>		3. DATES COVERED <b>00-00-2007 to 00-00-2008</b>	
4. TITLE AND SUBTITLE <b>National Security Personnel System (NSPS): An Assessment</b>				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) <b>Stanley Brown</b>				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES) <b>U.S. Army War College ,122 Forbes Ave.,Carlisle,PA,17013-5220</b>				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES)				10. SPONSOR/MONITOR'S ACRONYM(S)	
				11. SPONSOR/MONITOR'S REPORT NUMBER(S)	
12. DISTRIBUTION/AVAILABILITY STATEMENT <b>Approved for public release; distribution unlimited</b>					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT <b>See attached</b>					
15. SUBJECT TERMS					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT <b>Same as Report (SAR)</b>	18. NUMBER OF PAGES <b>26</b>	19a. NAME OF RESPONSIBLE PERSON
a. REPORT <b>unclassified</b>	b. ABSTRACT <b>unclassified</b>	c. THIS PAGE <b>unclassified</b>			

The U.S. Army War College is accredited by the Commission on Higher Education of the Middle State Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

USAWC STRATEGY RESEARCH PROJECT

**THE NATIONAL SECURITY PERSONNEL SYSTEM (NSPS): AN ASSESSMENT**

by

Colonel Stanley M. Brown  
United States Army

Colonel Robert Driscoll  
Project Adviser

This SRP is submitted in partial fulfillment of the requirements of the Master of Strategic Studies Degree. The U.S. Army War College is accredited by the Commission on Higher Education of the Middle States Association of Colleges and Schools, 3624 Market Street, Philadelphia, PA 19104, (215) 662-5606. The Commission on Higher Education is an institutional accrediting agency recognized by the U.S. Secretary of Education and the Council for Higher Education Accreditation.

The views expressed in this student academic research paper are those of the author and do not reflect the official policy or position of the Department of the Army, Department of Defense, or the U.S. Government.

U.S. Army War College  
CARLISLE BARRACKS, PENNSYLVANIA 17013



## **ABSTRACT**

AUTHOR: Colonel Stanley M. Brown  
TITLE: The National Security Personnel System (NSPS): An Assessment  
FORMAT: Strategy Research Project  
DATE: 18 March 2008      WORD COUNT: 5,58      PAGES: 26  
KEY TERMS: History, Vision, Structure, Culture, and Values  
CLASSIFICATION: Unclassified

As a vital component of the Department of Defense (DOD), the civilian workforce must become a more relevant contributor to the 21<sup>st</sup> century strategic requirements and national security strategy. Effectively integrating DOD's civilian workforce into the Total Force is of great importance as DOD transforms to meet an increasingly volatile, uncertain, complex and ambiguous world. Implementation of NSPS is a major reform effort to transform DOD's civilian workforce to better recruit, retain, and manage its nearly 700,000 person civilian workforce. No one denies the importance of such an undertaking, yet there is a dearth of NSPS analysis from an historical and theoretical framework. The purpose of this paper is to bridge that gap, for the success or failure of NSPS to transform DOD's civilian workforce into a flexible 21<sup>st</sup> century entity of the Total Force because it is of great importance to future U.S. national security strategy.



## THE NATIONAL SECURITY PERSONNEL SYSTEM (NSPS): AN ASSESSMENT

It must be considered that there is nothing more difficult to carry out, nor more doubtful of success, nor more dangerous to handle, than to initiate a new order of things.

—Machiavelli

### Introduction

At the beginning of the 21<sup>st</sup> century, the U.S. is challenged by unprecedented changes in world events such as the September 11, 2001 attack and the subsequent Global War on Terrorism (GWOT). In this environment of increased volatility, complexity, and uncertainty, U.S. strategic leaders seek to transform organizations to positively effect government capabilities to confront new threats and leverage opportunities. Transformation is of particular importance to the Department of Defense (DOD), as the global operating environment in the conduct of the GWOT will require greater reliance on its civilian workforce. As a vital component of DOD, the civilian workforce must become a more relevant contributor of capabilities to include expeditionary support to uniformed personnel in a deployed environment. Effectively integrating the capabilities of civilian employees into DOD's Total Force is essential to implementation of U.S. national security strategy.<sup>1</sup> However, the civilian workforce is hampered by an overly bureaucratic personnel system designed for the 19<sup>th</sup> and 20<sup>th</sup> century, and ill suited for 21st century strategic challenges.

In an effort to reform its antiquated personnel system, DOD is in the process of implementing the often contentious new civilian personnel system, National Security Personnel System (NSPS). NSPS represents a major reform effort initiated by then Secretary of Defense, Donald H. Rumsfeld, in 2003. DOD's conversion to NSPS began



in 2005 after Congress passed the FY04 National Defense Authorization Act and has a planned completion date of 2009. Implementation of NSPS will fundamentally change the way DOD recruit, retain, and manage its nearly 700,000 person civilian workforce.

DOD's NSPS objectives are:

- Increased flexibility in hiring and assignment to reshape the workforce to meet changing mission requirements.
- Increased flexibility in pay and create a pay structure that supports latitude to adjust work assignments and organizational structure.
- Improved civilian performance by establishing a pay for performance system with salary and retention based on contribution to the mission, not seniority.<sup>2</sup>

NSPS has the potential to become the most comprehensive change to the DOD civilian workforce in its history. Yet, there is a dearth of analysis or assessment of NSPS from a historical and theoretical construct. Peter Senge, who is a recognized theorist and writer on organizational change, postulates that successful change requires a real sense of inquiry and a genuine curiosity about its limiting forces.<sup>3</sup> True reform in a public bureaucracy means shaping a vision of possibilities, changing workforce culture inside the bureaucracy, and building processes within the organizational structure to properly reflect its values.<sup>4</sup> Historically, many promises of civilian workforce reform have gone unfulfilled as the desired effect in policy formulation gave way to the hard realities of changing a large bureaucracy. This paper will use the construct of vision, culture, structure, and values to assess NSPS, for its likely success or failure to create a transformed 21<sup>st</sup> century DOD civilian workforce because it is of great strategic importance to U.S. national security and strategy. In doing so, this paper will also

examine relevant NSPS processes and available data to determine its efficacy in the achievement of stated objectives.

### Towards A Construct – What Type of Change Is To Come About?

To fully understand and assess the organizational need for change requires first understanding the type of necessary change, which must be derived from an appreciation of the organization's history. A learning organization must simultaneously learn by looking back and looking forward for new opportunities and the potential to be different.<sup>5</sup> First, what type of change must be embarked upon? Linda Ackerman puts forth three perspectives on changes common to organizations: *developmental*, *transitional*, and *transformational*.<sup>6</sup> *Developmental change* focuses on improvement of skills to meet organizational expectations. It is simply organizational improvement, and does not require a major change in organizational vision, structure, culture, etc. *Transitional change* is the replacement of current ways of doing things with new processes and systems through an evolutionary approach. The most dramatic of the three types of changes is *transformational* catalyzed by a change in belief and awareness about what is necessary for the organization change, and requires a change in the organization's vision, structure, culture, and values. Most importantly for practitioners of change, the three types of changes Ackerman outlines can be mutually supportive. Determining the type of change an organization requires is vital, for the depth and complexity of implementation grow significantly from *developmental* to *transitional* to *transformational*.<sup>7</sup> Are changes under NSPS *developmental*, *transitional*, or *transformational*?

## The History of Civil Service Reform

Historically, changes in the civil service through reforms are neither new nor limited to NSPS. The histories of civil service span four distinct periods that reflect social and political patterns.<sup>8</sup> The first period of the “spoils system” covers the period 1829-1883.<sup>9</sup> President Andrew Jackson ushered in this system of civil service selection based on political patronage at the federal level; however, the system was already firmly entrenched in state and local selection of civil service employees. In making a value judgment about the spoils system, it is important to note that in this pre-industrial period the federal government was relatively small.<sup>10</sup> This was a period of U.S. isolationist foreign policy, limited intervention in private markets and the economy, and a corresponding small budget. Thus, the underlying assumption about the federal civil personnel requirement except at the higher political levels was that of clerical skills. President Andrew Jackson in his first annual message stated, “the duties of all public officers are, or at least admit of being made, so plain and simple that men of intelligence may readily qualify themselves for their performance”.<sup>11</sup>

The second period 1883 to 1978 was highlighted by reform through enactment of the Pendleton Civil Service Act of 1883 that reflected a countervailing public attack on the spoils system.<sup>12</sup> During this period, the U.S. was no longer isolationist after fighting two World Wars and surviving the turmoil of the Great Depression. Correspondingly, the federal budget increased, government was substantially more involved in the economy, and greater industrialization required a greater skilled civil service. The Pendleton Act essentially was the beginning of the end to the legal framework of patronage in federal civil service. Most importantly, from a procedural standpoint during this evolutionary period of significant changes in America was the creation of the

Civil Service Commission, and recognition of the need for a “merit system” to replace the spoils system. Creation of the Civil Service Commission stood as a political commitment to the creation of a more competent and professional civil service workforce, less dependent upon political patronage to administer the public bureaucracy. The concept of a merit based federal workforce embodied the values of equality, objectivity, and neutrality held by reformers who sought an antidote to what they viewed as the corruption of patronage.<sup>13</sup>

The Civil Service Commission established the rules and regulated the selection, promotion, and removal of federal civil servants. This along with the passage of the Classification Act of 1923, which centrally classified federal jobs by duties and standardized compensation across the federal government added to the rigidity of the merit system. However, the increased professional civil service workforce began to rethink the centralization of personnel management decisions by the Civil Service Commission as managers became captives of its overly centralized and bureaucratic decision-making. When supervisors within agencies tried to take personnel actions they considered within ordinary managerial discretion such as personnel transfers, promotions, or increases in pay they were often prevented from doing what they wished by the interpretations placed on laws, rules, and regulations by the staff of the Civil Service Commission.<sup>14</sup> Thus, the transformation to the merit system to cure the ills created by the spoils system was the catalyst for the burgeoning secondary effects of hampered best personnel practices and efficiencies within the civil service workforce.

The third period from 1978 to 2002 was anchored by the Civil Service Reform Act of 1978 (CSRA). CSRA promised the most comprehensive change to federal civil

service in almost one hundred years. It relied on academic theory and private sector best practices to increase the effectiveness and efficiency within the federal government.<sup>15</sup> The accumulation of complex and rigid rules and regulations governing the civil service clearly pointed to a need for simplification and decentralization.<sup>16</sup> CSRA eliminated the Civil Service Commission and created the Office of Personnel Management (OPM), with a mandate to improve federal management and modernize management of the federal personnel system. As part of this effort, federal employees performance appraisals and merit pay were established as a central part of reform. Though CSRA promised comprehensive reform of the federal civil service, the Act offered only incremental procedural changes to a one hundred year old federal civil service system.<sup>17</sup> It did not adequately address substantive issues such as pay for performance and flexibility in recruiting and assigning federal employees. However, CSRA did lay the path for NSPS by creating demonstration projects to test alternative federal civil service human resource system improvements for potential future implementation.<sup>18</sup>

Today's technological advances and complex missions have generated the need for more employees with advanced education and more sophisticated technical skills. Additionally, there must be a very active campaign for recruitment of a diverse workforce, to include exploring career patterns and creating alternative work arrangements that will attract and retain talents from non-traditional sources.<sup>19</sup> Former Comptroller General David M. Walker wrote on the topic of improving government performance:

Increased Globalization, rapid technological advances, shifting demographics, changing security threats, and various quality of life

considerations are prompting fundamental changes in the environment in which the government operates. We should seize the opportunity to address today's challenges while preparing for tomorrow.<sup>20</sup>

Recent important changes to the federal civil service have been an ongoing process, but just as there have been changes initiated by NSPS some facets of the federal civil service remain anchored. As management change experts Huy and Mintzberg wrote, "change has no meaning unless it is juxtaposed against continuity...because many things remain stable, change has to be managed with a profound appreciation of stability".<sup>21</sup>

### Major Findings

	Change	External Environment	Required Workforce Skill	Desired Internal Environment	Value
<b>Spoils</b>	N/A	Pre-industrial	Clerical	N/A	Political Patronage
<b>Pendleton Act</b>	Reactive	Industrial	Professional	Centralized bureaucracy	Merit
<b>CSRA</b>	Reactive	Technology	Professional Generalist and Technical	Decentralized Private Sector Best Practices	Merit
<b>NSPS</b>	Reactive	Technology and Globalization	Varied Expert Professional Skills	Decentralized and Flexible	Merit

Table 1.

Table 1 depicts the analysis of each major federal reform effort. Overall, NSPS represents ongoing *transitional change* of federal civil service, and is largely based on a continuation on CSRA reforms sought in the 1970's and 1980's. However, caution is required as the tremendous scope of NSPS procedural and process changes will have the same organizational effects as that of *transformational change*. The first major finding is that the "type of change " and " external environment" drove changes in vision. Reactive change is based on eliminating the cause of the current problem or issue. It is

based on the often faulty logic that when you eliminate the problem, you will have the organization you want.<sup>22</sup> In contrast, proactive change requires the strategic leader to scan the environment and predict a future state. In concert with type of change, the external environment of today is one of globalization and technology versus that of only technology on which CSRA was based in the late 1970s and 1980's. Therefore, the vision expressed by strategic leaders and the corresponding NSPS changes go beyond the usual limited historical administrative and procedural reforms, and instead addresses the DOD's civilian workforce in the context of future national security requirements.

The second major finding is merit remains an integral part of the federal civil service value system. However, the principle of merit has truly evolved over time. Merit as a guiding principle of the Pendleton Act meant the protection of civil service employees from the ills of partisan politics, fair and open competition for federal jobs, and admission to the competitive service on the basis of neutral examinations.<sup>23</sup> Today, the key principles of merit also include hiring and promoting employees on the basis of relative ability, providing fair compensation, retaining employees on the basis of performance, and fair and equitable treatment. Over 100 years of accumulated rules and regulations, which assumes that managers must be coerced into meritorious behavior, are the baggage of merit. Nevertheless, changes under NSPS must leverage the merit concept and protect its integrity as an integral part of the civilian service workforce culture. Of course, there is a natural tension as many of the centralized and bureaucratic processes put in place to protect merit collide with NSPS design for greater flexibility within DOD's civilian workforce. Certainly, proponents of the NSPS will

encounter resistance as DOD makes structural changes to shape the desired civilian workforce.

### Structural Changes

Strategic change takes into account a holistic view of the organization to determine what is needed to truly transition. It often leads to structural changes in compensation system, the criteria and paths through which employees advance, and organizational culture.<sup>24</sup> To properly prescribe key structural changes under NSPS require an examination of the underlying assumptions about the nature of DOD's workforce. A recent Rand Corporation sponsored study alludes to structural changes as a result of NSPS implementation. At the heart of the NSPS design are assumptions regarding the motivation of DOD's workforce, which is the primary connection between the incentive system and employee effort.<sup>25</sup> There are three dominant social science theories regarding workforce motivation: agency theory, expectancy theory, and goal-setting theory.<sup>26</sup> Agency theory assumes that workers will exert only minimal effort when offered a fixed pay rate similar to the current DOD civilian workforce pay schedule. Thus, the organization can increase output by creating a system to monitor employee performance and link it to pay and reward system. Expectancy theory assumes that employees will respond to a pay and reward system based on how they value it. Essentially, employees must believe the system is administered fairly and equitably. Goal-setting theory assumes a bond between managers and employees based on shared interests and goals. Thus, the organization must focus on a system that fosters an exchange and confirmation of organizational goals. Goal setting theory does not deny the importance of pay and rewards, but assumes it is secondary to the



social exchange between management and employees in meeting organizational goals. Social science theories suggest that for NSPS to be successful the structure must reward performance based on fairness and equity, and connect organizational goals by fostering relationships among management and employees based on shared objectives.

### Compensation and Classification

According to Vroom's theory of motivation, performance increases as the instrumentality of effective performance for the attainment of money increases.<sup>27</sup> In essence, the effectiveness of incentive plans depends on workers knowledge of the relationship between performance and pay. Although DOD civilian workforce personnel managers can use special pays and other forms of compensation to help attract, retain, and motivate high quality employees, critics have argued that the common pay table hampers the ability of managers to manage flexibly the large and extraordinarily diverse DOD General Schedule (GS) civilian workforce. Specifically, critics charge that pay cannot be readily varied in such a way as to motivate higher quality workers to enter and stay in the civilian workforce.

At the heart of the discussion on motivation is the NSPS provision of pay for performance (PFP). The current GS pay structure has tenure and grade as the two determinants of pay. The GS grades range from level 1 to level 15, and has within grade increases (WIGI) determined by years of service corresponding to tenure. In PFP marginal increases in pay as opposed to average pay is what provides motivation for performance.<sup>28</sup> WIGIs are automatic unless the employee's performance is rated as less than fully successful, which rarely occurs. The WIGI component of the GS pay schedule does not reflect a link between pay and performance because there is no

mechanism to distinguish between mediocre and superior performance. As a structural measure to alleviate the problems associated with the GS Schedule, DOD established “pay bands” as a central feature of the NSPS. Pay bands allow for pay progression driven by performance not seniority; thus, managers can better reward performance. Second, pay bands allow flexibility in competing for the right workforce. It allows managers to attract talented personnel by offering a competitive salary based on local market wage rates. Essentially, it mirrors private industry where starting salaries or changes in job duties can be negotiated in a free market environment.

### Performance Management

A major challenge of PFP is how to measure performance. The evaluation method to award wage increases can be subjective based on a supervisor’s opinion or objective associated with some observable output. Either way, two important aspects of ratings deserve discussion. Research has found that expectations of raters may introduce bias into the rating system. It suggests that job and rate knowledge have significant effects on the performance appraisal known as the “halo effect”.<sup>29</sup> To mitigate against potential individual biases in performance ratings, NSPS uses a “pay pool” concept to distribute performance based pay increases and bonuses. The pay pool members and numbers are prescribed by the organization, but its composite must be representative as final pay pool member review and approval is at the next higher level. The overall results of the pay pool have been promising with higher payouts and a wider distribution of ratings to distinguish top performers. For example, data for the first iteration of NSPS shows that only 3.8% of employees were rated at the highest performance level (slides), and 28%

were rated at the next highest level. This distribution is in stark contrast to ratings under the GS System with approximately 95% of ratings falling in the highest categories.

Organizational theory literature suggests that effective organizations must have operative goals that are specific long and short-term objectives that guide managers and employees as they perform the work of the organization.<sup>30</sup> A formal system to ensure that at each level individual objectives and tasks nest with the overall organizational goal is a major guiding principal of NSPS. DOD regulations stipulate that individual performance expectations must align with the department's overall mission and strategic goals, organizational program and policy objectives, annual performance plans, and other measures of performance.<sup>31</sup> NSPS requires that all employees have SMART objectives:

- Specific observable action, behavior, or achievement is described.
- Measurable quality of outcomes.
- Aligned job objectives throughout the organization so that all are working towards the same goals.
- Realistic and relevant objectives that are achievable and important to the organization.
- Timed information on when the objective will start and end for evaluation purposes.<sup>32</sup>

Job objectives aligned throughout with DOD strategic goals and objectives are the cornerstone of the way managers and employees communicate on major work to be accomplished and evaluated.

## Organizational Culture

Organizational culture is defined as a set of shared values and norms that control organizational interaction and affect the way members make decisions, the way they interpret information, and how they behave.<sup>33</sup> Many NSPS provisions are derived from private sector concepts and considered the cultural norm for profit seeking organizations. A concept such as PFP instead of automatic salary increases is considered a part of private industry's philosophy and thus a part of their organizational culture. The challenge of NSPS implementation in the public sector lies in the culture that emerged as a consequence of over a century of embedded centralized controls and bureaucratic processes. As with most public sector organizational change, DOD faces a major challenge in overcoming internal organizational resistance to NSPS. Humans naturally tend to resist change because there is comfort in the familiar, and discomfort with the unknowns of change.<sup>34</sup> Organizational changes may threaten the security of employees; thus, resistance becomes a survival mechanism. However, organizational changes do occur despite human resistance. To facilitate organizational changes, strategic leaders must recognize sources of resistance, potential and current, to overcome its barriers. Two major sources of organizational change resistance are the division between strategic leaders and followers assessments of the need for change, and embedded organizational culture.

## Making the Case for Change

It does not matter that we, the change advocates, know the bow and arrow will work; the hunter must also know it. After all, it's his life on the line, not ours ... why should you stop doing something you've proven works and start doing something you've never done before?<sup>35</sup>

The foremost organizational change resistance stems from a division between strategic leaders' recognition that change is needed and perceived adequacy of status quo among followers. Strategic leaders because of their positions have an advantage in recognizing how current and potential future events will effect the organization. More importantly, strategic leaders must decide on the corresponding required course of action. The future is fundamentally uncertain, yet there are trends that effective strategic leaders notice to discern a future path for the organization. Accordingly, they scan the environment and put forth a vision that may set the stage for organizational resistance when change is necessary. In the case of the NSPS, President Bush wrote:

In most agencies, human resources planning is weak. Workforce deficiencies will be exacerbated by the upcoming retirement wave of the baby-boom generation. Approximately 71 percent of the government's current permanent employees will be eligible for either regular or early retirement by 2010, and then 40 percent of those employees are expected to retire. Without proper planning, the skill mix of the federal workforce will not reflect tomorrow's changing missions.<sup>36</sup>

Correspondingly, Secretary Rumsfeld's environmental scan and future vision of DOD led him to conclude that the Cold War civilian personnel system was antiquated and inadequate for 21<sup>st</sup> century GWOT challenges.<sup>37</sup> He then proposed DOD implement NSPS to adjust its civilian personnel system. Is the view of the key strategic leaders, President Bush and Secretary Rumsfeld, the same as the DOD civilian personnel? For certain at the initial stages of recognizing the need for change, the answer is "no". This lack of consensus between Secretary Rumsfeld and the DOD civilian workforce on the necessity for change provided a source of civilian workforce organizational change resistance.

Adept strategic leaders recognize this division in leading organizational change. The key to bridging this gap between the strategic leader and those affected by the

organizational change is strategic communications. Strategic communications is an essential element of national leadership, and key to persuading others to accept and act upon ideas.<sup>38</sup> In a prepared speech, Secretary Rumsfeld answered the question of “Why change?” by saying, “the threats we face today are notably different. To deal with this threat we need military capabilities that are flexible, light, and agile ... but they cannot do that with civil service employees.”<sup>39</sup> Successful passage of NSPS civil service reform resulted from the ability of policy supporters to frame the argument in a poignant manner.<sup>40</sup> Supporters framed their argument in terms of national security, while opponents, mainly labor unions, argued along the lines of collective bargaining rights. In a post 9/11 environment, this effective use of strategic communications in framing the issue as one of the broader national security may have been responsible for gaining public, political, and congressional support for reform.<sup>41</sup>

Providing a reason for change the initial requirement for strategic communications, but the messages must be reworked at each level to ensure resonance with those charged with execution of the organizational change and those whom the organizational change will directly affect. In the case of NSPS, variations of messages were adjusted for each level. For example, the Army devised a NSPS campaign plan communication strategy that recognized the Army leadership would play a key role by actively communicating a compelling Army vision for transition to NSPS. In doing so, the Army required all employees and managers, civilian and military, to learn NSPS through the online course “NSPS 101”. After the vision was articulated the process of buy-in began, as the vision was continually packaged at each level to ensure those at lower levels understood the need for the NSPS.<sup>42</sup> In addition, the messages were reinforced to

managers and employees during training courses tailored to their duties and responsibilities under NSPS. The effective use of strategic communications can bridge the gap between strategic leaders who formulate policy and followers who must implement and operate in a changed organizational environment.

### Embedded Organizational Culture

Strategic leaders who effectively communicate and make the case for change are still confronted by embedded organizational culture. This is most pronounced in the implementation phase of organizational change as the specifics become known. At this point it is not the decision to change that individuals within the organization now resist, but rather the actual transition that must be made to accommodate change.<sup>43</sup> The transition often disturbs the embedded culture of the organization as change does not occur in a vacuum. The transition to NSPS challenged the embedded DOD civilian workforce organizational culture that is underpinned by values and norms, and artifacts derived from its long history.

Organizational values determine what is important to members of the culture, and norms establish expected behavior.<sup>44</sup> One such important DOD civilian workforce value and norm is fair treatment. Whether or not the NSPS provisions are fair has been a major point of contention between DOD and the civilian workforce union, American Federation of Government Employees (AFGE). The underlying issue is a provision within the NSPS to set aside some collective bargaining powers of the AFGE until the NSPS is fully implemented in 2009. The court actions and subsequent appeals by the AFGE and DOD have delayed NSPS implementation on several occasions. A second important DOD civil service value and norm is equity of compensation. The NSPS

eliminated longevity pay and replaced it with a local centralized overall board processes associated with the pay pool panel. There is fear among employees that as the budget becomes constrained the NSPS payout will decrease. DOD has given assurances that this will not be the case by creating budgetary floors for performance payouts. However, there is still anxiety among employees about future payouts as NSPS implementation progresses.

How can DOD overcome these embedded organizational culture resistances to the NSPS transition? A General Accounting Office (GAO) report cited the initial DOD NSPS implementation process as problematic; however, DOD adjusted its approach to a more deliberative process involving a greater number of stakeholders.<sup>45</sup> The initial DOD rational approach to decision-making on NSPS transition assumed a shared value and common interest. The DOD is a government agency populated by those with varied interests. There are civilian employees who belong to unions that have strong influence within branches of government. Thus, the bargaining approach to NSPS transition is the reality of the political situation. This will most likely result in incremental NSPS changes, but such is often the case in American democratic processes. A bargaining approach also makes sense from a practical standpoint to avoid complacency and major civilian workforce resistance to the NSPS. DOD may have overestimated how much they can force major changes in civil service reform, and underestimated the difficulty in changing embedded organizational culture.<sup>46</sup> In sustaining change, success often means weighing the cost of maintaining a particular provision against keeping change ongoing – the critical mass of momentum.



While values and norms have played a major role in resistance to the NSPS transition, artifacts are a lesser point of resistance. Artifacts are visible, tangible, and audible remains of behavior grounded in values and norms. One such important artifact that NSPS threatens to change is the GS designation of DOD employees. Under the GS system DOD employees designation level is associated with rank. A GS 15 is equivalent to a uniformed service rank of colonel. Under NSPS, there is no such distinctive designation. Instead of GS designations, the NSPS designations are an amalgamation of pay grades split along functional lines. Observations are that DOD civilian employees have begun to substitute these functional designations in-lieu of the old GS designation to signify rank and levels of responsibility. While DOD civilians have seemingly self-adjusted to the dismissal of the GS designation artifact, leaders should continue to pay attention to artifacts in transitioning to NSPS. As the transition to NSPS continues, the dismissal of other artifacts may not be as benign.

### Conclusion

The success or failure of the NSPS to transform DOD's civilian workforce into a viable 21<sup>st</sup> century ready entity of the Total Force is of great importance to accomplishing current and future U.S. strategic objectives. Yet NSPS has gone relatively unnoticed and unstudied by many within DOD, especially uniformed personnel. An examination of NSPS in the historically context of civilian workforce reform reveals that there is a need to transform the civilian workforce. In doing so, the failures of the past must be understood to fully appreciate the enormity of the NSPS effort. There will be points of friction in changing a large civilian workforce whose

evolution is a result of both policy formulation and implementation, and reflective of the greater needs and changes in U.S. strategic positions.

Strategic leaders who have deemed it necessary to implement organizational change must consider the sources of organizational resistance. Successful organizational change requires buy-in from those who are affected; however, there is usually no consensus between them and the strategic leaders. To bridge this gap, the strategic leader must effectively communicate the vision and messages to all levels of the organization. As in the case of the NSPS, DOD's effective strategic communication strategy set the stage for changes to the civilian workforce system. Once strategic leaders have buy-in, the challenge of transitioning the organization manifests greater organizational change resistance as specifics become widely known. To overcome embedded organizational cultures, DOD must pay attention to organizational values, norms, and artifacts. Transition to the NSPS will challenge DOD as its civilian workforce's long established values, norms, and artifacts are unsettled. DOD must recognize these sources of embedded organizational culture and bargain with representatives of varied interest wherever possible to maintain momentum in achieving the overall objectives of the NSPS.

While NSPS represents a tremendous step towards building a flexible DOD civilian workforce, caution is required in assuming that the increased flexibility will necessarily result in an expeditionary capability and culture. DOD's implementation of NSPS will certainly change the composition of the workforce over time; however, a concerted effort must occur to truly transform its civilian workforce. Some services within DOD have begun such a program to indoctrinate new and existing employees through greater

emersion in military culture. This includes greater emphasis on civilian education upon entry and a construct for lifelong learning much like the current uniformed military model. A major point of friction is the resources in terms of money and time required for such an effort. A topic for further research is needed key components of civilian education to truly transform DOD's civilian workforce embedded organizational culture towards an expeditionary mindset.

### Endnotes

<sup>1</sup> Honorable David S.C. Chu, *DOD Civilian Human Capital Strategic Plan, and Acquisition Workforce Implementation*, briefing slides with note pages, webcast at [www.dau.mil](http://www.dau.mil), 6 February 2008.

<sup>2</sup> Donald Rumsfeld, *Prepared Statement on the National Security Personnel System*, Senate Governmental Affairs Committee, 4 June, 2003; available from <http://www.defenselink.mil/utility/printitem.aspx>; Internet; accessed 15 October 2007, 2.

<sup>3</sup> Peter Senge et al., *The Dance of Change* (New York: Doubleday Publishing, 1999), 10.

<sup>4</sup> Patricia Ingraham and David H. Rosenbloom, eds., *The Promise and Paradox of Civil Service Reform* (Pittsburgh, PA: Pittsburgh Press, 1992), 35.

<sup>5</sup> John L. Thompson, "Competence and Strategic Paradox," *Management Decisions* 36 (1998): 3.

<sup>6</sup> Linda Ackerman, "Development, Transition or Transformation: The Question of Change in Organizations." *OD Practitioner: December 1986*, 1-8; quoted in Todd D. Jick and Maury A. Peiperl, *Managing Change*, 2d ed. (New York: McGraw Hill, 2003), xvi.

<sup>7</sup> *Ibid.*, xviii.

<sup>8</sup> Mark A. Abrahamson, ed., "Civil Service Reform as National Security: The Homeland Security Act of 2002," *Public Administration Review* (May/June 2007): 400.

<sup>9</sup> The American Assembly, *The Federal Government Service* (Englewood Cliffs, NJ: Prentice Hall, 1965), 20-29.

<sup>10</sup> *Ibid.*, 29.

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*, 30.

<sup>13</sup> Camilla Stivers and Ralph P. Hummel, "Personnel Management: Politics, Administration, and a Passion for Anonymity" *Public Administration Review* 67 (November/December 2007): 7.

<sup>14</sup> The American Assembly, 59.

<sup>15</sup> Ingraham and Rosenbloom, vii.

<sup>16</sup> Ibid., 27.

<sup>17</sup> Ibid., 19.

<sup>18</sup> Silvia Montoya and John D. Graham, *Modernizing the Federal Government: Paying for Performance* (Santa Monica CA: Rand Corporation, 2001), 17.

<sup>19</sup> Chu.

<sup>20</sup> Executive Office of the President, Office of Management and Budget, *The President's Management Agenda, Fiscal Year 2002*, available from <http://www.whitehouse.gov/omb/budget>; Internet; accessed 21 January 2007.

<sup>21</sup> Quy Nguyen Huy and Henry Mintzberg, "The Rhythm of Change," *MIT Sloan Management Review* 4 (Summer 2003): 79.

<sup>22</sup> Joe Flower, "New Tools, New Thinking," *The Healthcare Forum Journal* 2 (March/April 1992): 4.

<sup>23</sup> Patricia W. Ingraham and Donald F. Kettl, eds., *Agenda For Excellence*, (Chatham N.J.: Chatham House Publishers, Inc.), 274.

<sup>24</sup> Bob Lewis, "Batter Up for Change," *Infoworld*, 17 December 2001, 36.

<sup>25</sup> Montoya and Graham, 3.

<sup>26</sup> Ibid.

<sup>27</sup> Edwin A. Fleishman and Alan R. Bass, eds., *Studies in Personnel and Industrial Psychology*, 3d ed. (Home Wood, IL: The Dorsey Press, 1974), 265.

<sup>28</sup> Montoya and Graham, 7.

<sup>29</sup> Ibid., 10.

<sup>30</sup> Gareth R. Jones, *Organizational Theory, Design, and Change*, 4th ed. (Upper Saddle River, NJ: Pearson Education Inc., 2004), 21.

<sup>31</sup> U.S. General Accounting Office, *Human Capital: Observations on Final Regulations for DOD's National Security Personnel System* (Washington, D.C.: U.S. General Accounting Office, November 2005), 66.

<sup>32</sup> "National Security Personnel System Writing SMART Objectives Fact Sheet," October 2006; available from <http://www.cpms.osd.mil/nsps>; Internet; accessed 21 January 2008.

<sup>33</sup> Jones, 9.

<sup>34</sup> John P. Kotter, J.P. and L.A. Schelesinger, "Choosing Strategies for Change," *Harvard Business Review* (May/June 1979): 106-114.

<sup>35</sup> Peter de Jager, "Resistance to Change: A New view of an Old Problem," *The Futurist*, (May/June 2001), available from ProQuest; accessed 21 January 08.

<sup>36</sup> Executive Office of the President, Office of Management and Budget, 3

<sup>37</sup> Ibid., 1.

<sup>38</sup> Richard Halloran, "Strategic Communications", *Parameters*, 37 (Autumn 2007): 6.

<sup>39</sup> Rumsfeld, 1.

<sup>40</sup> Abrahamson, 404.

<sup>41</sup> Ibid.

<sup>42</sup> U.S. Department of the Army, *Army Leadership*, FM 6-22 (Washington, D.C.: U.S. Department of the Army, June 2006), 12-5.

<sup>43</sup> Albert F. Bolognese, "Employee Resistance to Organizational Change"; available from <http://www.newfoundations.com/orgtheory/bolognese721.html>; Internet; accessed 21 January 2008.

<sup>44</sup> Edgar H. Schein, *U.S. Army War College Guide To Strategic Leadership* (Carlisle: U.S. Army War College, 2008), 158.

<sup>45</sup> U.S. General Accounting Office, *Observations on Final Regulations for DOD's National Security Personnel System Testimony Before the Committee on Homeland Security and Governmental Affairs, U.S. Senate* (Washington, D.C.: U.S. General Accounting Office, 17 November 2005), 76.

<sup>46</sup> John P. Kotter, *Leading Change*, (Boston MA: Harvard Business School Press. 1996), 5.